



## Fiscal Summary

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

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**Measure:** Initiative 124 – TAX EXPANSIONS

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**Date:** August 4, 2025

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## Fiscal Summary of Initiative 124

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at [leg.colorado.gov/bluebook](https://leg.colorado.gov/bluebook). This fiscal summary identifies the following impact.

### State Revenue

The measure has no direct or immediate impact on state revenue; however, if the state legislature removes an existing tax exemption or changes tax classifications in statute, or if the courts rule that an existing fee is incorrectly categorized, voter approval will be required to retain and spend that revenue. If voters do not approve the tax expansion, state revenue will decrease relative to current law. The amount of decrease, if any, will depend on actions by the legislature or the courts, and future decisions made by voters.

### State Expenditures

The measure has no direct impact on state expenditures; however, if voters do not approve a future tax expansion, less state revenue will be available to save or spend, and the state's TABOR refund obligation may be reduced in years when the state is over its revenue limit. By requiring a new type of voter approval, the measure increases election-related costs in the Department of State and in the Legislative Department.

### Local Government

Similar to the state, local governments will have an increase in election-related costs anytime an additional question concerning tax revenue is placed on the ballot, and the outcome of those elections may affect local revenue.

# Initiative 124

## Economic Impacts

The measure has no direct or immediate impact on the state's economy. If voters reject future taxes, it will decrease public sector revenue and spending and increase the amounts available for private spending or saving.